

AGM MEETING MINUTES

Meeting Type:	AGM Meeting #05
Webinar Attendees:	Participants 29 (11 Board Members, and 18 ordinary shareholders)
Meeting Attendees:	Sheila Clark – Elected Director & Chairperson Samantha Marshall – Elected Director & Company Sec Andrew Swann – Elected Director & Treasurer Peter Thomas – Elected Director Operations Carol Thomas – Elected Director Michael Odumosu – Elected Director Adrian Shaw – Elected Director Chrissie Sugden – Elected Director Cath Auty – DIG Appointed Director David Hardstaff – DIG Appointed Director Irene McClounnan – DIG Appointed Director 18 Shareholders (29 shareholders in total)
Apologies:	8 Shareholders sent advance apologies.
Meeting Details:	15 th May 2021, 2:00 pm via Zoom Webinar.

MINUTES

1) Apologies

Carol Thomas opened the meeting and welcomed everyone to our second on-line AGM. She reminded everyone that the meeting was being recorded.

- Briefing on the key points of using the webinar for all attendees and link to documents needed for the meeting.
- Awesome Energy (AED) is a Community Benefit Society
 - Regulated by FCA not Companies House.
- Community Benefit Funds are paid from Unallocated Retained Reserves and can be rolled forward.
- Shareholder led and driven.
- Shareholders are paid interest not dividends.
- Board of a maximum of 12 comprised of 9 elected Directors and 3 DIG appointed Directors

Carol then introduced Sheila Clark (Chairperson)

2) Approval of previous minutes.

Sheila Clark asked the meeting to approve the minutes of the 2020 AGM.

- 16 people voted in favour, so these were passed.

3) Actions arising from previous minutes.

“Report on possibility and feasibility of installing E.V (electric vehicle) charging points at the Community Centre”.

Carol Thomas reported that due to the pandemic, work focussing on the safety of the Hydro scheme and a lot of work enabling the future of the Community Benefit Fund meant that the Directors were unable to investigate this over the last year. However, the issue remains open, and the Board are hoping to issue a more complete report at the next AGM.

4) Reports for the year-ending 30/11/20

a) Chair’s report – Sheila Clark

See full report in Shareholder Pack (pages 9-11)

The main points from the report:

- New AGM online format was successful last year so we will continue using it.
- AED is a BenCom – a Community Benefit Society governed by the Financial Conduct Authority not Companies House.
- 2019-20 was our second full year of generation and our generation was significantly higher than forecast. We have increased our future forecasts to Low Flow Data P50 +15%
- Last year’s Community Benefit payment of £6256 allowed DIG (Dalavich Improvement Group) to respond quickly to the Covid-19 challenges in a number of ways.
- A Long-Term Cash Flow Model has been created by Andrew Swann, our Treasurer, giving us more information than previously.
- AED and DIG (Dalavich Improvement Group) started looking for professional help to manage the fund.
- CINK were able to service the turbine in August and provided refresher training for the local Ops team.

b) Extraordinary Resolution – Carol Thomas

See full report in Shareholder Pack (pages 12-15)

- Important that this is a change to ensure that the fund is well managed.
- The fundamental objective of Awesome Energy (Dalriada) and the Community Benefit Fund is to benefit residents defined by DIG and the first rule change is to enable AED to specify the postcodes designated under this Fund. It also allows us to ensure that our rules and the fund

management strategy are aligned.

- It allows us to use professional fund managers which ensures that we can be certain that we are acting in accordance with good governance and what is required by charities, regulators, and HMRC to allow the fund to be used from the pre-tax reserves.
- The proposed rule changes have been approved by both the legal team and the BenCom advisers, so we are not able to amend the wording at this AGM. The Resolutions will have to be passed by 75% majority of the attending shareholders; please ask any questions:

Question:

Is there an indication of the cost for using this external fund management company?

Answer:

We spent a lot of time researching for the best partner and then negotiating very favourable terms with Foundation Scotland.

- Extraordinary Resolution to Change Society's Rules. Carol Thomas asked the shareholders present to vote:
 - i. Rule 4b
25 shareholders voted in favour, so the amendment is carried.
 - ii. Rule 96b
24 shareholders voted in favour, so the amendment is carried.
 - iii. Rule 101
25 shareholders voted in favour, so the amendment is carried.

After the meeting the rule changes will be submitted to our advisors and the FCA. The new version of the rules will be uploaded onto the system when complete. We will, of course, inform you when this has happened.

c) Treasurer's Report – Andrew Swann

See full report in Shareholder Pack (pages 16-19)

The main points from the report:

Year ending 30th November 2020 was very successful for two main reasons. The first was a high volume of rain and secondly, the hard work of the operations team in Dalavich.

- Turnover rose by 22% to £357,868.
- Cost of sales increased marginally to £12,995.
- Administrative expenses, which include interest fell by 5% to just over

£200,000.

- Profit for the year more than doubled to £144,681.
- ANM Service Agreement has been terminated so the payment to them for £7,902 should be the last payment to them.
- Civils and turbine costs are likely to vary year on year, however projecting forward suggests that these are likely to be lower than originally forecast.
- Interest fell as repayments commenced and we have paid further lump sum payments towards the loan from SIS ensuring that we will fully repay the loan no later than the current maturity date of 30th June 2030.
- The Board recommends that £65,500, more than 10 times the amount we were able to pay last year, should be paid out to the Community Benefit Scheme subject to shareholders' consent.
- The Board are also recommending that we limit the share capital to £575,000 – more details will be forthcoming in the Company Secretary's report

Question:

I'm interested in the use of and demand for the community fund over the last year. A number of other societies have also been supporting their communities with the loss of summer income, and generally demand's been higher than the £6.5K or so that was in AED's fund. Excellent news that there is a proposal to put much more into community fund this year; is it likely that it will be needed to help people recover from the tough (financial) times of the last 18 months? (Because that would be as good a community use as any other in my opinion). And are there other longer-term projects which have been identified that the much larger funding might support?

Answer:

Andrew Swann - Sheila did mention in her report that the original fund payment made last year was used entirely in the support of covid related activities to help the community.

Carol Thomas - As the question states £6,500 or thereabout is not a lot in the grand scheme of Covid. We are constrained by the FCA as to how much we can pay out to the Community Benefit Fund. The money that is paid out to DIG and, going forward, Foundation Scotland is determined by them. DIG members are all local residents.

DIG will be putting together a business plan to suggest what their significant share of the funds should be used for. Other elements are used for education and development bursaries, for micro-grants, and for open grant funding. In relation to the final part of the question, there will be much larger projects identified in the long-term, but the use of the fund is very much controlled by DIG and Foundation Scotland.

Andrew Swann - It is important to note that AED is not DIG.

We generate the electricity, and we make payments to the Community

Benefit Fund but how that is dispersed is dealt with by the regulations covering DIG and Foundation Scotland.

We now move to the adoption of accounts for the year ended 30th November 2020.

- 27 shareholders voted in favour, so the accounts have been adopted as presented.

For payment of shareholder interest at 4% for the financial year ended 30th November 2020.

- 27 shareholders voted in favour, so payment of shareholder interest at 4% will be paid for the year ending 30th November 2020.

For the resolution to pay the proposed £65,500 to the Community Benefit Fund.

- 27 shareholders voted in favour, so AED will pay £65,000 to the Community Benefit Fund.

d) Company Secretary's Report – Sam Marshall
See full report in Shareholder Pack (pages 19-21)

The main points from the report:

- Zoom has enabled the Board to continue meeting on a monthly basis during the pandemic, especially as we have Directors from London, the Home Counties and Cheshire.
- We have 129 shareholders: 124 individual and 5 corporates.
- £425,549 in holdings
- In 2020 we paid out £13,134.40 in interest for holdings from the year 2018/19.
- Subject to AGM approval we will arrange to pay interest in the same combination of cash and shares as last year. If you want to change the way you receive your interest, please let us know no later than 31st May 2021 via email to info@awesome-energy.com.

The ongoing open share offer has seen increased investment by existing shareholders, and we thank you for your continued support. However, the Board would like to propose two changes to the share offer.

Firstly, we propose that when the share investment reaches £575,000, we will close the share offer as we will have enough to meet our requirements at present.

We are also proposing that we limit individual shareholdings to £25,000 per person.

While the open share offer is still running, any individual who holds £25,000 or

more in shares can still receive interest in shares, but they will not be able to introduce new money into their portfolio. At the point when share investment reaches £575,000, we propose to close the share offer and at that point all interest will revert to cash payments to your nominated bank account.

Board members throughout the period to 30/11/20

- 9 Elected Directors
- 3 DIG appointed Directors

During 2020 Libby Foy, an elected Director of AED and Agnes Fleming, a DIG appointed Director stood down.

Agnes Fleming has been replaced by David Hardstaff.

We thank both Libby Foy and Agnes Fleming for their contributions and welcome David. Libby's position on the board has not been filled, and our rules do allow us to operate in this way, but we do prefer to have a full complement of Directors on the Board. If you are interested in joining the Board please speak to one of us directly.

Sheila Clark and I are standing for re-election to the board.

Rowena Tew has been appointed as a part-time administrator so that the Directors can focus on their work for AED and Rowena can give support where required.

Finally, before we take the votes on the resolutions, I would like to thank you for your ongoing faith in the expertise of the Directors and our ability to lead this society forward for the benefit of the local community.

- i. Resolution to close the open share offer when we reach £575,000 worth of investment.
 - 25 shareholders voted in favour, so this resolution is carried.
- ii. Resolution to limit individual shareholding to £25,000
 - 25 shareholders voted in favour, so this resolution is carried.

e) Operations – Peter Thomas
See Shareholder Pack (page 22)

The main points from the report:

- Generation 50% above plan
- Rainfall last year 1797 millimetres, significantly higher than the 1500 millimetres average for Scotland.
- Local operations team means we can respond quickly to problems, such as clearing the bar screens of leaves. As we are in a forest this is a regular occurrence.
- When water is available, we are able to run almost all of the time at

maximum output.

- We installed a fan as on very hot summer days the turbine (which in itself gives out 35kW of heat) electronics can overheat. Campbell of Doune again helped design a fan costing us £2,500. This contrasts to the approx. £6,000 we would have lost if we had not installed it.
- Looking forward we are looking towards river management. This means using sluices in high water which will allow us to maintain output whilst allowing some gravel to move on so that we conserve the river profile.
- We are also going to install Stop logs, again using Campbell of Doune. These are a series of steel plates which allow us to shed water off to the side and we will be able to do pigging (cleaning and maintaining the pipes) at different times of the year. This year we were unable to book pigging at a time suitable for us, so the Stop logs will enable us to book pigging at almost any time.
- The final project we want to do in the coming year is to start the old powerhouse conservation.
- I want to say a big thank you to the team who have been out in all weathers. It is because of their efforts that we are able to get the performance we do from the Turbine.

Question:

Are you able to increase generation by adding another turbine in the area.

Answer:

Peter Thomas – we have a license to generate 350kW, so we would have to get extra capacity on the grid which would be the first issue. Then with the River Avich you will be into diminishing returns unless you put something further up the river and generate at two points.

Carol Thomas – We would not get a SEPA license for the Avich as we extract 35% of the water capacity. We had to battle to get the license as during the construction phase the regulations changed to 25%. We would certainly not get permission to take any more water from the Avich and I am not sure that there is another financially viable alternative river locally.

We are, however, looking at other things we may do around PPA to make more money from the generation we do get.

Comment from Chat:

As a Thames Water customer I have to say AED's gain seems to be Thames Water's loss. I am very impressed by Peter's efforts for AED.

5) **Results of Directors' Ballot**

- 27 ballots received
- Majority voted for re-election of both candidates.
- Welcome back Sheila Clark and Sam Marshall.

6) **Any Other Business**

There being no further business the chair closed the meeting at 15:08 having thanked all who took part, the presenters and those working behind the scenes.

Meeting Held: 15th May 2021

Minutes Accepted by the Board: 18th May 2021

Minutes Approved by AGM: 14th May 2022

Signed:



Date: 14th May 2022